

recommendation with respect to Plaintiffs' offer, and that recommendation, along with the trial attorneys' recommendation, have been submitted to the Tax Division's Office of Review (the "Office of Review") for its evaluation and recommendation. Similarly, the Internal Revenue Service also completed its recommendation with respect to the Plaintiffs' offer, and a copy of that recommendation has been provided to the Office of Review. While under evaluation at the Office of Review, the parties agreed to certain revisions and adjustments to the settlement offer and the settlement offer was formally amended on March 28, 2012. The Office of Review completed its review of the amended settlement offer on April 9, 2012 and forwarded its favorable recommendation to the Deputy Assistant Attorney General for Appellate and Review, who is reviewing that recommendation. A final settlement will require the approval of the United States Associate Attorney General.

Given this status, the parties respectfully request that the Court set a May 28, 2012 deadline for a status report on the continued progress toward a final resolution.

Respectfully submitted,

Dated: May 9, 2012

/s/Kent A. Yalowitz
Kent A. Yalowitz
Arnold & Porter LLP
399 Park Avenue, 34th Floor
New York, New York 10022

Attorney for Plaintiffs and Counterclaim Defendant

Dated: May 9, 2012

KATHRYN M. KENEALLY
Assistant Attorney General

/s/Andy R. Camacho
JEREMY N. HENDON
ANDY R. CAMACHO
Trial Attorneys, Tax Division
U.S. Department of Justice
P.O. Box 683, Ben Franklin Station
Washington, D.C. 20044-0683

Attorneys for the United States of America

IT IS SO ORDERED.



UNITED STATES MAGISTRATE JUDGE
DATED: 5-10-2012

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that service of the foregoing **JOINT STATUS REPORT** has been made this 9th day of May, 2012, by electronically transmitting via the Court's CM/ECF system to the following:

Andrew P. Gordon
McDonald Carano Wilson LLP
2300 West Sahara Avenue
Suite 1000
Las Vegas , Nevada 89102
Email: agordon@mcdonaldcarano.com

Kent A Yalowitz
Arnold & Porter LLP
399 Park Avenue, 34th Floor
New York, New York 10022
Email: Kent.Yalowitz@aporter.com

/s/Andy R. Camacho
ANDY R. CAMACHO
Trial Attorney, Tax Division
U.S. Dept. of Justice